



# ARIZONA FIRE & MEDICAL AUTHORITY

## GOVERNING BOARD REGULAR MEETING

### MINUTES

Tuesday, June 23, 2020

### MINUTES

1. **CALL TO ORDER / ROLL CALL OF BOARD MEMBERS / AFFIRMATION OF QUORUM**

Board Clerk Miller called the meeting to order on Tuesday, June 23, 2020, at 10:26 a.m. The meeting was held telephonically due to social distancing requirements relating to the COVID-19 pandemic.

Members Present: Board Clerk Dawn Miller, and Board Members Richard Bookie and Karen Gueltzow

Members Absent: Board Chairman David Wilson and Board Member John Crawford

Staff Present: Fire Chief Rob Biscoe, Assistant Chief Mary Dalton, Finance Manager Diane Goke, Division Chief Kane Nixon, Division Chief Rob Helie, Human Resources Manager Shauna Fisher, Engineer Matt Burry, and Authority Clerk Dusty Christopherson

Legal Counsel: Legal & Intergovernmental Affairs Director Lee Miller

Guests Present: North County Fire & Medical District Board Members Tony Sambol and Smitty Smith; South County Fire & Medical District Board Members Diane Price, Bill Becker, and Leonard Leach

Media Present: None

2. **CALL TO THE PUBLIC**

There was no response to the Call to the Public.

3. **FINANCIAL SUMMARIES AND AUDIT REPORTS**

A. Arizona Fire & Medical Authority Financial Reports for May 2020 – Diane Goke, Finance Manager.

Diane Goke, Finance Manager presented the Arizona Fire & Medical Authority Financial Reports for May 2020 and answered any questions from Board Members.

#### 4. CONSENT AGENDA

- A. Approve Monthly Financial Report for May 2020.
- B. Approve Joint Governing Board Budget Workshop Meeting Minutes – May 19, 2020.
- C. Approve Board Meeting Minutes – May 26, 2020.
- D. Accept the South County Fire & Medical District's and the North County Fire & Medical District's property annexations approved at their Governing Board meeting on June 23, 2020.
- E. Adopt the following Policy Manual policies to reflect administrative changes in accordance with the Fiscal Year 2020/21 Budget and Operational Plan.
  - a. Policy No. 4.06 – Classification System (Rescinding Policy No. 7.05)
  - b. Policy No. 6.01 – Vacation Leave
  - c. Policy No. 6.02 – Sick Leave
  - d. Policy No. 7.01 – Compensation Administration
  - e. Policy No. 7.09 – Holiday Compensation
  - f. Policy No. 7.22 – Supplemental Stipend

**Board Member Gueltzow moved that the Arizona Fire & Medical Authority Governing Board approve all items on the Consent agenda, including the May 2020 Monthly Financial Reports and account reconciliations per Arizona Revised Statutes including, but not limited to, the following: Register of Checks, Warrants & Deposits; Statement of Financial Activities; Statement of Net Assets; and Cash Flow Projection Report. Board Member Bookie seconded the motion.**

Vote conducted. **MOTION CARRIED.**

AYES: Bookie, Gueltzow, Miller  
NAYS: None  
ABSENT: Crawford, Wilson

#### 5. CURRENT EVENTS SUMMARIES AND REPORTS

- A. Emergency Services and Support Services Divisions (Including Training/Health & Wellness and Community Risk Management) – Arizona Fire & Medical Authority Current Event Summaries for April 2020 – Deputy Chief Rob Helie

Rob Helie, Deputy Chief – Emergency Services Division presented the Emergency Services and Support Services Division Event Summary for May 2020 and answered any questions from Board Members. Deputy Chief Helie stated that so far, the 2020 wildfire season has been a particularly busy one, with fires in the unincorporated areas double what they were this time last year. Due to the COVID-19 pandemic, the State is not able to provide prison crews who normally assist with wildfires.

Deputy Chief Helie noted that crew training hours have gone up for the month of May due to the need for refresher and specific crew trainings relating to COVID-19. This pandemic has forced training staff to be creative in their training methods.

B. Business Services Division (Including Administration, Planning and Human Resources Sections) – Arizona Fire & Medical Authority Current Event Summary for May 2020 – Assistant Chief Mary Dalton

Mary Dalton, Assistant Chief presented the Business Services Division Event Summary for May 2020 and answered any questions from Board Members. Assistant Chief Dalton noted that Phase I of the AFMA Reopening Plan has been put on hold as the State is seeing increasing COVID-19 cases and increased deaths associated with the virus. There are a limited number of staff in the office and the building is closed to the public. Assistant Chief Dalton stated that the National Fire Conference that was planning to be held in Phoenix this year has been canceled due to the COVID-19 pandemic.

In addition, the Human Resources Section reported that 64 firefighter practical exams were completed, and those who passed will be asked to complete an oral board interview. Human Resource staff has spent a tremendous amount of time assisting employees with COVID-19 exposure information and testing resources.

Assistant Chief Dalton noted that the new Fire Districts' Worker's Compensation Pool has been finalized and that the first Board meetings are beginning to be held telephonically. Assistant Chief Dalton has been appointed to the Governing Board. The new pool garnered \$4.6 million in initial capital from its member districts, which is more than originally anticipated.

*Board Member Crawford joined the meeting at 10:36 a.m.*

C. Arizona Fire & Medical Authority Chapter of the United Sun Cities Firefighters Association – International Association of Firefighters Local 3573 Updates.

Matt Burry, Local 3573 Representative, stated that the membership held a vote on the proposed Fiscal Year 2020-2022 Memorandum of Understanding (MOU) being presented to the Governing board today. The membership voted electronically, and it passed with 75% of the membership voting. Which is not an unusual turnout, but of course leadership would like to have more of the membership vote. However, several crew meetings were held virtually this year to explain the contents of the MOU and the crews know that the Stewards and Trustees are always available to them to answer any questions they may have.

Rob Biscoe, Fire Chief thanked Matt Burry, Logan Jewell, Scott Dial, and Spencer Snyder for their hard work and great communication efforts during this years' negotiation process.

- D. Correspondence Review – Correspondence received or sent by the Arizona Fire & Medical Authority which would be of interest to the Governing Board will be reviewed by the Board Clerk.

Board Clerk Miller reviewed correspondence received during the month of May 2020.

## 6. **PUBLIC HEARING**

- A. Hold a public hearing relating to the adoption of Resolution No. AF20-0623-1 of the Arizona Fire & Medical Authority adopting the Fiscal Year 2020-21 Budget & Operational Plan.

Assistant Chief Dalton and Ms. Goke presented the Governing Board with the final Fiscal Year 2020-21 Budget & Operational Plan noting that this document is largely the same as the tentatively adopted budget from May 2020. Assistant Chief Dalton noted that the tax rate for South County Fire & Medical District remains at \$3.20, and the North County Fire & Medical District remains at \$2.86.

Assistant Chief Dalton highlighted the budgetary changes for Fiscal Year 2020-21 noting an ambulance revenue decrease of \$101,233, grant funding in the amount of \$193,000, retirement plan increases of \$275,151, health insurance increases of \$253,328, contingency fund increases of \$187,045, repairs and maintenance increases of \$102,130, dispatch contract increases of \$38,207, medical supply/equipment increases of \$25,920, Board election costs of \$24,099 for the 2020 General election. Bringing the total proposed budget to \$30.5 million.

In conclusion, Assistant Chief Dalton noted that this year's budget is balanced, transparent and ensures the Authority is positioned to maintain excellent service delivery while being fiscally stable moving forward.

Board Clerk Miller opened the public hearing. There were no public comments received. Board Clerk Miller closed the public hearing.

**Board Member Bookie moved that the Arizona Fire & Medical Authority adopt Resolution No. AF20-0623-1 of the Arizona Fire & Medical Authority adopting the Fiscal Year 2020-21 Budget & Operational Plan. Board Member Gueltzow seconded the motion.**

Vote conducted. **MOTION CARRIED.**

AYES: Bookie, Crawford, Gueltzow, Miller

NAYS: None

ABSENT: Wilson

## 7. **REGULAR BUSINESS**

### A. **Discussion relating to the COVID-19 Pandemic.**

Kane Nixon, Division Chief – Planning, presented the Governing Board with an update on the COVID-19 Pandemic, including national statistics, Arizona statistics, heat map of cases by zip code, testing numbers versus positive results, testing by State of Arizona, and case numbers versus hospital capacity. Division Chief Nixon explained an increase in cases of almost double within a one-month time frame.

Division Chief Nixon continued by providing the Governing Board an update on AFMA specific statistics, including call volume and positive cases by zip code.

Diane Goke, Finance Manager presented the Arizona Fire & Medical Authority Pandemic Emergency Expenditures and answered any questions from Board Members.

### B. **Discussion and Possible Action relating to approval of Memorandum of Understanding with the Arizona Fire & Medical Authority Chapter of The United Sun Cities Firefighters Association – International Association of Firefighters Local 3573**

Assistant Chief Dalton stated that the Labor Group and Management worked for many hours together conducting salary surveys and negotiating the Fiscal Year 2020-2022 Memorandum of Understanding (MOU). Management feels this is a fiscally responsible MOU but always rewards the AFMA employees for their hard work and dedicated service to the Communities we serve.

Mr. Burry expressed agreement with Assistant Chief Dalton and stated that he feels this year's MOU is competitive with other neighboring jurisdictions. He thanked his fellow membership for their work in negotiating this year's MOU and stated that he has received nothing but positive feedback from the membership on the process this year.

**Board Member Gueltzow moved that the Arizona Fire & Medical Authority Governing Board approve the Memorandum of Understanding with the Arizona Fire & Medical Authority Chapter of the United Sun Cities Firefighters Association – International Association of Firefighters Local 3573, effective July 1, 2020 to June 30, 2022. Board Member Crawford seconded the motion.**

Vote conducted. **MOTION CARRIED.**

AYES: Bookie, Crawford, Gueltzow, Miller  
NAYS: None  
ABSENT: Wilson

C. Discussion and Possible Action relating to approval of Fiscal Year 2018-2022 Strategic Plan Update.

Assistant Chief Dalton presented the Governing Board with the 2020 update to the Fiscal Year 2018-2022 Strategic Plan, noting a Strategic Plan defines an organization's strategy and direction for the future. Since the Strategic Plan's original adoption in 2017, the document has been reviewed by Staff and modified as necessary to accommodate changes in priorities, economic climate, Governing Board directives and Community input. The new update is adopted by the Governing Board each year as part of the annual budget process.

This year as part of the 2020 Update, Staff has added several new objectives to the Strategic Plan. They are:

- Objective 1.1C – Analyze AFMA's wildland/urban interface risks
- Objective 1.1D – Implement Emergency Triage, Treat, and Transport (ET3) Program
- Objective 1.4B – Strengthen the Authority's Pandemic Plan
- Objective 1.4C – Strengthen the Authority's Emergency Management Section
- Objective 1.4D – Analyze current radiological protection, detection, and decontamination
- Objective 1.8 – Engine Company Safety Survey Program
- Objective 1.9 – Adopt Fire Code Amendment Chapter 12 Energy Systems
- Objective 2.2C – Implement Revised Employee Performance Evaluation System
- Objective 2.2D – Create New Employee Orientation Process
- Objective 2.5B – Revise Employee Wellness Program
- Objective 3.1B – Promote the Authority's Ambulance Membership Program
- Objective 3.2B – Plan for Authority Annexation and Future Growth

**Board Member Bookie moved that the Arizona Fire & Medical Authority Governing Board approve the Fiscal Year 2018-2022 Strategic Plan update. Board Clerk Miller seconded the motion.**

Vote conducted. **MOTION CARRIED.**

AYES: Bookie, Crawford, Gueltzow, Miller

NAYS: None

ABSENT: Wilson

D. Discussion and Possible Action relating to adoption of Resolution No. AF20-0623-2 authorizing the execution and delivery of a Ground Lease, a Lease-Purchasing Agreement or Amendments to existing Agreements for refinancing obligations and financing capital assets.

Ms. Goke stated that at the AFMA Governing Board meeting on May 26, 2020, the Board adopted Resolution No. AF20-0526-1 authorizing the firm of Stifel, Nicolaus & Company, Inc. to solicit bids for debt refinancing. Ms. Goke noted that the current market conditions provided the Authority with the ability to significantly reduce the interest rate

of the current debt holdings. Ms. Goke stated that three proposals were received on June 17, 2020, and that Staff is recommending acceptance of the proposal from Sterling National Bank (Sterling) which includes an effective interest rate of 2.44% for a total of \$7.5 million financed to pay off existing debt and acquire approximately \$2 million for capital assets. The Sterling proposal also includes Sterling serving as the escrow agent without fee and using outside purchaser counsel without cost to the Authority/District's. Additionally, the prepayment penalty is only 2% and declines to 0% after eight years. The estimated annual payments would be \$565,824 with an approximate net present value savings to the Authority/Districts of \$273,045. The approximate \$50,618 increase in annual payments would be partially offset by the savings of approximately \$40,000 realized from the leased office space that would no longer be needed.

Chief Biscoe clarified that to best leverage the opportunity presented with the current lower market interest rates, Staff is seeking approval to refinance existing debt, and leverage the cost savings with additional borrowing in order to construct a Maintenance/Warehouse/Training facility on a portion of the property that Station 104 is located on. The Maintenance/Warehouse/Training facility would house most facets of the Support Services and Training Divisions under one roof, greatly improving the workflow, efficiency, and accountability of the Divisions. This new facility would also eliminate the need for the leased office space located across the street from the Authority's Administrative facility.

Chief Biscoe noted that the proposed new facility could be constructed, potentially in phases depending on costs, to accommodate the Authority's current and future maintenance, warehouse, and training needs. Beyond the initial scope of the project and very preliminary architect and contractor assessments, no additional details regarding the proposed facility are available at this time. At a future Authority Board meeting, the necessary consultants required to create the design and construction package would be approved. Several months later, the final design and budget proposals would be presented to the Board for final approval before moving into the construction phase of the process.

In response to an inquiry, Chief Biscoe stated that if the proposed loan package is approved by the Governing Board, each Authority member District would be accountable for their proportionate share of said obligation. North County Fire & Medical District would be responsible for 81% and South County Fire & Medical District would be responsible for 19% of the refinanced debt. Collateral for the proposed finance package would again involve using various Authority facilities. In the event either of the member Districts is no longer a member of the Authority, they would continue to be responsible for their portion of the remaining loan balance.

**Board Member Crawford moved that the Arizona Fire & Medical Authority Governing Board adopt Resolution No. AF20-0623-2 approving the proposal that the Arizona Fire & Medical Authority enter into an agreement to refinance its' debt on terms indicated in the Sterling Bank term sheet. If AFMA does enter into this refinancing agreement, the North County Fire & Medical District and South County Fire & Medical District Boards acknowledges and agrees that it is responsible for repayment of an amount not to exceed \$6,091,200 and \$1,428,800 respectively of this borrowing, assuming the loan extends to maturity. North County Fire & Medical**

**District and South County Fire & Medical District shall remain obligated for its proportionate share of this debt even if it is no longer a member of the Authority, until such time as the debt is paid in full. I move that the Fire Chief and the Director of Legal and Intergovernmental Affairs be authorized to prepare and execute such agreements as may be necessary to give legal effect to this resolution. Board Member Gueltzow seconded the motion.**

Vote conducted. **MOTION CARRIED.**

AYES: Bookie, Crawford, Gueltzow, Miller  
NAYS: None  
ABSENT: Wilson

**8. SUGGESTED ITEMS FOR FUTURE BOARD MEETING AGENDAS**

There were no suggested items.

**9. ADJOURNMENT**

The meeting adjourned at 11:12 a.m.

*Dawn Miller*

Dawn Miller (Aug 5, 2020 15:03 PDT)

Dawn Miller, Board Clerk



# June 23 2020 Minutes

Final Audit Report

2020-08-05

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